





State Air Pollution Control Board

Director's Report

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Virginia Department of Environmental Quality

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Contact DEQ at 804-698-4470 or Kevin.Vaughan@DEQ.Virginia.gov if you have technical difficulties.

Topics

- Clean Energy and Community Flood Preparedness Act (RGGI Bill, SB 1027/HB 981)
- Removal of Restrictive Budget Language
- Virginia Clean Economy Act (VCEA, SB 851/HB 1526)
- “Locality Particularly Affected” (SB 1075)
- HFCs (Budget item 378)
- DEQ Air Division COVID-19 experience

RGGI Bill (SB 1027/HB 981)

Clean Energy and Community Flood Preparedness Act

- Administration bill
- Authorizes DEQ to establish, implement, and manage an auction program to sell allowances consistent with the RGGI program
- Directs DEQ to sell 100% of allowances issued each year through the allowance auction

RGGI Bill (SB 1027/HB 981)

Clean Energy and Community Flood Preparedness Act

- Revenues to:
 - VA Community Flood Preparedness Fund (45%)
 - Low income energy efficiency programs (50%)
 - DEQ for admin costs and to carry out statewide climate change planning and mitigation activities (3%)
 - DHCD/DMME for admin costs for low income energy efficiency programs (2%)
- Annual report (first by 1/1/2022)

Removal of Restrictive Budget Language

HB 29 – Items 4-5.11 & 4-2.02

- Strikes language that prohibits the use of general, special, or other non-general funds to support membership or participation in RGGI until the General Assembly has approved such membership
- Strikes language that provides that any monies derived from projects or programs of regional climate change compacts (RGGI or TCI) shall be deposited to the general fund and not be used for any other purposes without appropriation by the General Assembly

Prospective Revisions to RGGI Regulations

9VAC5-140-6010, et seq.

- Removes references to a "consignment" auction and its associated mechanisms, such as conditional allowances
- Removes DMME set-aside allowances
- Removes program backstops and other transitional provisions such as "initial control periods"
- Removes the concept of "linking" to RGGI instead of being a "participating state"
- Consult with RGGI states for consistency

Prospective Revisions to RGGI Regulations

- New provisions added as required by the statute to:
 - Redefine the definition a "life-of-the-unit contractual arrangement" to include any energy conversion or energy tolling agreement that has a primary term of 20 years or more and pursuant to which the purchaser is required to deliver fuel to the CO₂ budget source or unit and is entitled to receive all of the nameplate capacity and associated energy generated by such source or unit for the entire contractual period and
 - Require any purchaser under an energy conversion or energy tolling agreement is responsible for acquiring any CO₂ allowances required in relation to a CO₂ budget source or unit that is subject to such agreement.
- Most complicated of the revisions

Virginia Clean Economy Act

SB 851/HB 1526

- Establishes a schedule by which Dominion and AEP must retire EGUs that emit carbon as a by-product of combusting fuel and by which they are required to construct, acquire, or enter into agreements to purchase generating capacity in VA from solar or wind
- Replaces existing voluntary Renewable Portfolio Standard (RPS) with a mandatory RPS
 - Dominion to produce electricity from 100% renewable by 2045
 - AEP to produce electricity from 100% renewable by 2050

Virginia Clean Economy Act

- Requires SNR & SC&T in consultation with SCC, the Council on Environmental Justice, and stakeholders, to report to GA by 1/1/2022 recommendations on how to achieve 100% carbon-free electric energy generation by 2045 at least cost for ratepayers
- Moratorium on SCC issuance of CPCNs until GA receives report

Virginia Clean Economy Act and the State Air Pollution Control Board

- Requires the Board to adopt no *earlier* than 7/1/2024 regulations to reduce CO₂ emissions from EGUs for period 2031 – 2050
 - Delayed date so Board can consider recommendations from SNR / SC&T workgroup
 - Can continue with RGGI or other trading program
 - Auctions, banking and market mechanisms allowed
 - No allowances to be issued after 2049
 - No offsets or netting based on fuel type

Virginia Clean Economy Act

- Requires, by 2035, AEP (400 MW) and Dominion (2700 MW) to construct or acquire energy storage capacity
- Establishes an energy efficiency standard under which each utility is required to achieve incremental annual energy efficiency savings that start in 2022 and increase annually

Locality Particularly Affected - SB 1075

- Notice and comment period for variance to an existing regulation or permit for
 - New/major modification for fossil fuel-fired EGU with a capacity of ≥ 500 MW
 - New/major modification for fossil fuel-fired compressor station used to transport natural gas
- Applicant must publish
 - Notice in at least one local paper of general circulation in any locality particularly affected at least 60 days prior to the close of any public comment period
- Applicant must mail notice to
 - Certain officials/PDC for each locality particularly affected
 - Every public library & public school within 5 mile radius
 - Owner of each parcel of real property that is depicted as adjacent to the facility on the current real estate tax assessment maps of the locality.

Locality Particularly Affected - SB 1075

- DEQ must post the notice on DEQ's website and a social media account
- The Board must accept written comments for at least 30 days after any hearing on such variance or permit
- SB 1075 will require conforming revisions to several existing air permitting regulations
- Staff will present conforming revisions to air permit regulations to Board for approval later this year

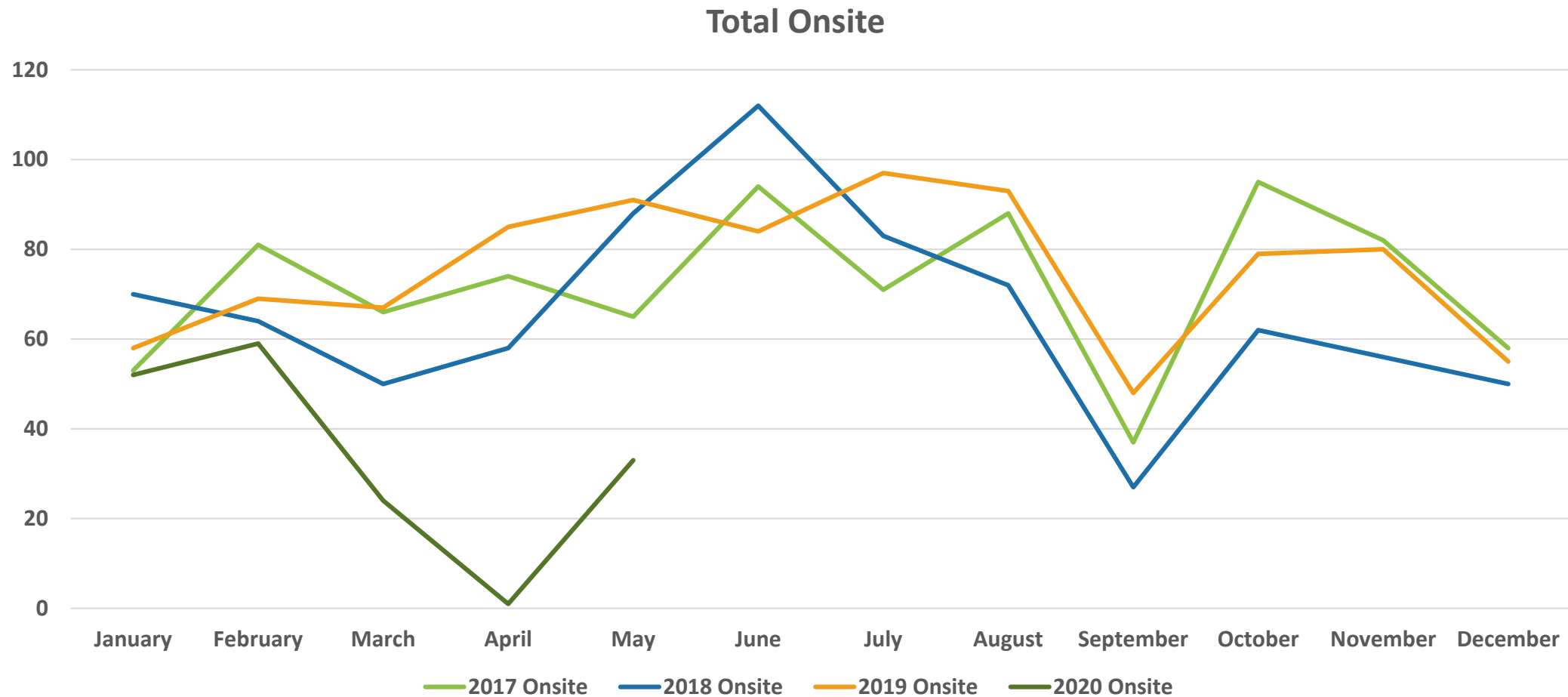
Hydrofluorocarbons - Budget Item 378

- Board “shall adopt regulations to prohibit the sale, lease, rent, installation or entry into commerce in Virginia of any products or equipment that use or will use hydroflourocarbons for the applications and end uses restricted by Appendix U and Appendix V of Subpart G of 40 C.F.R. Part 82, as those read on January 3, 2017.”
 - Attempts to lock in specific federal HFC regulations in effect prior to EPA rollback earlier this year
- Such regulations must become effective no later than July 1, 2021
- Staff will present conforming regulations to Board for approval later this year

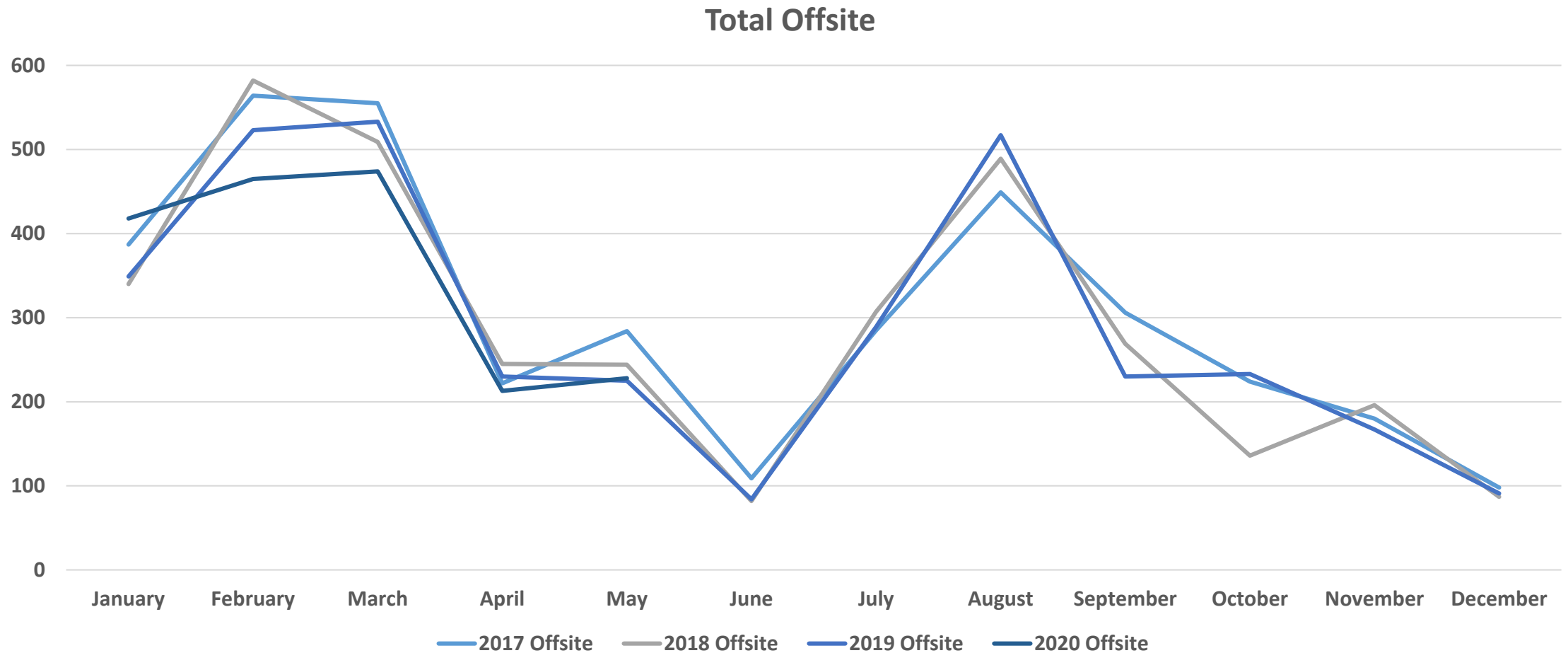
COVID-19 Experience - Compliance Data

Month	Region	2017		2018		2019		2020	
		Offsite	Onsite	Offsite	Onsite	Offsite	Onsite	Offsite	Onsite
January	Total	387	53	340	70	349	58	418	52
February	Total	564	81	582	64	523	69	465	59
March	Total	555	66	509	50	533	67	474	24
April	Total	222	74	245	58	230	85	213	1
May	Total	284	65	244	88	225	91	228	33
June	Total	109	94	82	112	84	84		
July	Total	285	71	307	83	289	97		
August	Total	449	88	489	72	517	93		
September	Total	306	37	269	27	230	48		
October	Total	224	95	136	62	233	79		
November	Total	180	82	196	56	167	80		
December	Total	98	58	87	50	91	55		

COVID-19 Experience - Onsite Inspections



COVID-19 Experience - Offsite Inspections



Questions?